

At a Glance: Flood Insurance Premium Rates for Second Homes

(Updated April 1, 2014)

Second home buyers were among the hardest hit by the implementation of Biggert-Waters. NAR heard your concerns with implementation loud and clear and with your help successfully lobbied for the passage of the Homeowner Flood Insurance Affordability Act, H.R. 3370. The legislation passed both Houses of Congress by wide bipartisan supermajorities. President Obama signed it into law on March 21, 2014. Below is a summary of current law before and after the legislation amended the provisions on flood insurance rates for second homes.

For more detailed information, please see [NAR's Issue Brief on Flood Insurance Premium Rates here](#).

Flood Insurance Comparison – Second Homes

	Biggert-Waters	H.R. 3370 (HFIAA)
Current Owners of Second Homes	Grandfathered—rates increase by 20% of the difference between the current and the actuarial rates each year until the actuarial rates are met. Non-grandfathered — rates increase by 20-25% per year until the full risk premium rate is met.	Grandfathered—Repealed – Reinstates the grandfathering of properties under lower risk rates upon remapping; second homes are not excluded. Non-grandfathered— Rates increase by 18- 25% per year until the full risk rate is met Restores the rate phase-in for newly mapped properties
Second Home Buyers	100% risk premium at time of sale	Repealed Rate premium increases are refunded to buyers who bought the property before FEMA warned of the new rates. Returns to allowing a new owner to assume the old policy at the current rate (including grandfathering if applicable) (i.e., the policy stays with the property, not the owner) Any future increases capped at 25% per year
Policy Assessment ¹	N/A	Second homes – \$250 per policy Other Property Types – \$25-\$250 per policy

¹ Authority for policy assessment fees expires when all properties are paying the actuarial risk premiums.